



General Assembly

January Session, 2021

**Bill No. 6688**

LCO No. 10300



Referred to Committee on No Committee

Introduced by:

REP. RITTER M., 1<sup>st</sup> Dist.

SEN. LOONEY, 11<sup>th</sup> Dist.

REP. ROJAS, 9<sup>th</sup> Dist.

SEN. DUFF, 25<sup>th</sup> Dist.

***AN ACT CONCERNING A HIGHWAY USE FEE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage and applicable to calendar*  
2 *months commencing on or after January 1, 2023*) (a) As used in this section:

3 (1) "Carrier" means any person that operates or causes to be operated  
4 on any highway in this state any eligible motor vehicle. "Carrier" does  
5 not include the state, any political subdivision of the state, the United  
6 States or the federal government;

7 (2) "Commissioner" means the Commissioner of Revenue Services;

8 (3) "Department" means the Department of Revenue Services;

9 (4) "Eligible motor vehicle" means a motor vehicle, as defined in  
10 section 14-1 of the general statutes, that (A) has a gross weight of twenty-  
11 six thousand pounds or more, and (B) carries a classification between

12 Class 8 and Class 13, inclusive, under the Federal Highway  
13 Administration vehicle classification system;

14 (5) "Gross weight" has the same meaning as provided in section 14-1  
15 of the general statutes; and

16 (6) "Highway" has the same meaning as provided in section 14-1 of  
17 the general statutes.

18 (b) (1) For each calendar month commencing on or after January 1,  
19 2023, a tax is imposed on every carrier for the privilege of operating or  
20 causing to be operated an eligible motor vehicle on any highway of the  
21 state. Use of any such highway shall be measured by the number of  
22 miles traveled within the state by each eligible motor vehicle operated  
23 or caused to be operated by such carrier during each month. The amount  
24 of tax due from each carrier shall be determined in accordance with the  
25 provisions of subdivision (2) of this subsection.

26 (2) Each carrier shall calculate the number of miles traveled by each  
27 eligible motor vehicle operated or caused to be operated by such carrier  
28 within the state during each month. The miles traveled within the state  
29 by each eligible motor vehicle shall be multiplied by the tax rate as  
30 follows, such rate to be based on the gross weight of each such vehicle:

T1	Gross Weight in Pounds	Rate in Dollars
T2	26,000-28,000	0.0250
T3	28,001-30,000	0.0279
T4	30,001-32,000	0.0308
T5	32,001-34,000	0.0337
T6	34,001-36,000	0.0365
T7	36,001-38,000	0.0394
T8	38,001-40,000	0.0423
T9	40,001-42,000	0.0452
T10	42,001-44,000	0.0481
T11	44,001-46,000	0.0510

T12	46,001-48,000	0.0538
T13	48,001-50,000	0.0567
T14	50,001-52,000	0.0596
T15	52,001-54,000	0.0625
T16	54,001-56,000	0.0654
T17	56,001-58,000	0.0683
T18	58,001-60,000	0.0712
T19	60,001-62,000	0.0740
T20	62,001-64,000	0.0769
T21	64,001-66,000	0.0798
T22	66,001-68,000	0.0827
T23	68,001-70,000	0.0856
T24	70,001-72,000	0.0885
T25	72,001-74,000	0.0913
T26	74,001-76,000	0.0942
T27	76,001-78,000	0.0971
T28	78,001-80,000	0.1000
T29	80,001 and over	0.1750

31 (c) (1) Each carrier shall file with the commissioner, on or before the  
32 last day of each month, a return for the calendar month immediately  
33 preceding, in such form and containing such information as the  
34 commissioner may prescribe. The return shall be accompanied by  
35 payment of the amount of the tax shown to be due thereon. Each carrier  
36 shall be required to file such return electronically with the department  
37 and to make such payment by electronic funds transfer in the manner  
38 provided by chapter 228g of the general statutes, irrespective of whether  
39 the carrier would have otherwise been required to file such return  
40 electronically or to make such payment by electronic funds transfer  
41 under the provisions of said chapter.

42 (2) Notwithstanding the provisions of subsection (a) of section 13b-  
43 61 of the general statutes, the commissioner shall deposit into the Special

44 Transportation Fund established under section 13b-68 of the general  
45 statutes the amounts received by the state from the tax imposed under  
46 this section.

47 (d) (1) Each carrier desiring to use any highway of the state on or after  
48 January 1, 2023, shall file an application for a permit with the  
49 commissioner, in such form and containing such information as the  
50 commissioner may prescribe. No carrier may lawfully operate or cause  
51 to be operated an eligible motor vehicle in the state on or after January  
52 1, 2023, without obtaining a permit from the commissioner.

53 (2) Upon receipt of a fully completed application from a carrier, the  
54 commissioner shall grant and issue a permit to such carrier. Such permit  
55 shall be valid only for the carrier to which it is issued and the eligible  
56 motor vehicles such carrier operates or causes to be operated on the  
57 highways of the state and shall not be assignable. The carrier shall  
58 maintain a copy of the permit within each eligible motor vehicle that  
59 such carrier operates or causes to be operated in the state.

60 (e) (1) Whenever a carrier fails to comply with any provision of this  
61 section, the commissioner shall order a hearing to be held, requiring  
62 such carrier to show cause why such carrier's permit should not be  
63 revoked or suspended. The commissioner shall provide at least ten days'  
64 notice, in writing, to such carrier of the date, time and place of such  
65 hearing and may serve such notice personally or by registered or  
66 certified mail. If, after such hearing, the commissioner revokes or  
67 suspends a permit, the commissioner shall not restore such permit to or  
68 issue a new permit for such carrier unless the commissioner is satisfied  
69 that the carrier will comply with the provisions of this section.

70 (2) Whenever a carrier files returns for four successive monthly  
71 periods showing that none of the eligible motor vehicles operated or  
72 caused to be operated by such carrier used any highway of the state, the  
73 commissioner shall order a hearing to be held, requiring such carrier to  
74 show cause why such carrier's permit should not be cancelled. The  
75 commissioner shall provide at least thirty days' notice, in writing, to

76 such carrier of the date, time and place of such hearing and may serve  
77 such notice personally or by registered or certified mail. If, after such  
78 hearing, the commissioner cancels a permit, the commissioner shall not  
79 issue a new permit for such carrier unless the commissioner is satisfied  
80 that the carrier will make use of the highways of the state.

81 (f) Each person, other than a carrier, who is required, on behalf of  
82 such carrier, to collect, truthfully account for and pay over a tax imposed  
83 on such carrier under this section and who wilfully fails to collect,  
84 truthfully account for and pay over such tax or who wilfully attempts in  
85 any manner to evade or defeat the tax or the payment thereof, shall, in  
86 addition to other penalties provided by law, be liable for a penalty equal  
87 to the total amount of the tax evaded, or not collected, or not accounted  
88 for and paid over, including any penalty or interest attributable to such  
89 wilful failure to collect or truthfully account for and pay over such tax  
90 or such wilful attempt to evade or defeat such tax, provided such  
91 penalty shall only be imposed against such person in the event that such  
92 tax, penalty or interest cannot otherwise be collected from such carrier.  
93 The amount of such penalty with respect to which a person may be  
94 personally liable under this section shall be collected in accordance with  
95 the provisions of subsection (n) of this section and any amount so  
96 collected shall be allowed as a credit against the amount of such tax,  
97 penalty or interest due and owing from the carrier. The dissolution of  
98 the carrier shall not discharge any person in relation to any personal  
99 liability under this section for wilful failure to collect or truthfully  
100 account for and pay over such tax or for a wilful attempt to evade or  
101 defeat such tax prior to dissolution, except as otherwise provided in this  
102 section. For purposes of this subsection, "person" includes any  
103 individual, corporation, limited liability company or partnership and  
104 any officer or employee of any corporation, including a dissolved  
105 corporation, and a member of or employee of any partnership or limited  
106 liability company who, as such officer, employee or member, is under a  
107 duty to file a tax return under this section on behalf of a carrier or to  
108 collect or truthfully account for and pay over a tax imposed under this  
109 section on behalf of such carrier.

110 (g) (1) The commissioner may examine the records of any carrier  
111 subject to a tax imposed under the provisions of this section as the  
112 commissioner deems necessary. If the commissioner determines that  
113 there is a deficiency with respect to the payment of any such tax due  
114 under the provisions of this section, the commissioner shall assess or  
115 reassess the deficiency in tax, give notice of such deficiency assessment  
116 or reassessment to the taxpayer and make demand upon the taxpayer  
117 for payment. Such amount shall bear interest at the rate of one per cent  
118 per month or fraction thereof from the date when the original tax was  
119 due and payable. When it appears that any part of the deficiency for  
120 which a deficiency assessment is made is due to negligence or  
121 intentional disregard of the provisions of this section or regulations  
122 promulgated thereunder, there shall be imposed a penalty equal to ten  
123 per cent of the amount of such deficiency assessment, or fifty dollars,  
124 whichever is greater. When it appears that any part of the deficiency for  
125 which a deficiency assessment is made is due to fraud or intent to evade  
126 the provisions of this section or regulations promulgated thereunder,  
127 there shall be imposed a penalty equal to twenty-five per cent of the  
128 amount of such deficiency assessment. No taxpayer shall be subject to  
129 more than one penalty under this subsection in relation to the same tax  
130 period. Subject to the provisions of section 12-3a of the general statutes,  
131 the commissioner may waive all or part of the penalties provided under  
132 this section when it is proven to the commissioner's satisfaction that the  
133 failure to pay any tax was due to reasonable cause and was not  
134 intentional or due to neglect. Any decision rendered by any federal  
135 court holding that a taxpayer has filed a fraudulent return with the  
136 Director of Internal Revenue shall subject the taxpayer to the penalty  
137 imposed by this section without the necessity of further proof thereof,  
138 except when it can be shown that the return to the state so differed from  
139 the return to the federal government as to afford a reasonable  
140 presumption that the attempt to defraud did not extend to the return  
141 filed with the state. Within thirty days of the mailing of such notice, the  
142 taxpayer shall pay to the commissioner, in cash, or by check, draft or  
143 money order drawn to the order of the Commissioner of Revenue  
144 Services, any additional amount of tax, penalty and interest shown to be

145 due.

146 (2) Except in the case of a wilfully false or fraudulent return with  
147 intent to evade the tax, no assessment of additional tax shall be made  
148 after the expiration of more than three years from the date of the filing  
149 of a return or from the original due date of a return, whichever is later.  
150 If no return has been filed as provided under the provisions of this  
151 section, the commissioner may make such return at any time thereafter,  
152 according to the best information obtainable and according to the form  
153 prescribed. To the tax imposed upon the basis of such return, there shall  
154 be added an amount equal to ten per cent of such tax, or fifty dollars,  
155 whichever is greater. The tax shall bear interest at the rate of one per  
156 cent per month or fraction thereof from the due date of such tax to the  
157 date of payment. Where, before the expiration of the period prescribed  
158 herein for the assessment of an additional tax, a taxpayer has consented  
159 in writing that such period may be extended, the amount of such  
160 additional tax due may be determined at any time within such extended  
161 period. The period so extended may be further extended by subsequent  
162 consents in writing before the expiration of the extended period.

163 (h) (1) Any carrier believing that it has overpaid any taxes due under  
164 the provisions of this section may file a claim for refund in writing with  
165 the commissioner within three years from the due date for which such  
166 overpayment was made, stating the specific grounds upon which the  
167 claim is founded. Failure to file a claim within the time prescribed in this  
168 section constitutes a waiver of any demand against the state on account  
169 of overpayment. The commissioner shall review such claim within a  
170 reasonable time and, if the commissioner determines that a refund is  
171 due, the commissioner shall credit the overpayment against any amount  
172 then due and payable from the carrier under this section or any  
173 provision of the general statutes and shall refund any balance  
174 remaining. The commissioner shall notify the Comptroller of the  
175 amount of such refund and the Comptroller shall draw an order on the  
176 Treasurer in the amount thereof for payment to such carrier. If the  
177 commissioner determines that such claim is not valid, either in whole or  
178 in part, the commissioner shall mail notice of the proposed disallowance

179 to the claimant, which notice shall set forth briefly the commissioner's  
180 findings of fact and the basis of disallowance in each case decided in  
181 whole or in part adversely to the claimant. Sixty days after the date on  
182 which it is mailed, a notice of proposed disallowance shall constitute a  
183 final disallowance except only for such amounts as to which the  
184 taxpayer filed, as provided in subdivision (2) of this subsection, a  
185 written protest with the commissioner.

186 (2) On or before the sixtieth day after the mailing of the proposed  
187 disallowance, the claimant may file with the commissioner a written  
188 protest against the proposed disallowance in which the claimant shall  
189 set forth the grounds on which the protest is based. If a protest is filed,  
190 the commissioner shall reconsider the proposed disallowance and, if the  
191 claimant has so requested, may grant or deny the claimant or the  
192 claimant's authorized representatives an oral hearing.

193 (3) The commissioner shall mail notice of the commissioner's  
194 determination to the claimant, which notice shall set forth briefly the  
195 commissioner's findings of fact and the basis of decision in each case  
196 decided in whole or in part adversely to the claimant.

197 (4) The action of the commissioner on the claimant's protest shall be  
198 final upon the expiration of thirty days from the date on which the  
199 commissioner mails notice of the commissioner's action to the claimant  
200 unless within such period the claimant seeks judicial review of the  
201 commissioner's determination pursuant to subsection (l) of this section.

202 (i) (1) Any person required under this section or regulations adopted  
203 thereunder to pay any tax, make a return, keep any record or supply  
204 any information, who wilfully fails to pay such tax, make such return,  
205 keep such records or supply such information, at the time required by  
206 law, shall, in addition to any other penalty provided by law, be fined  
207 not more than one thousand dollars or imprisoned not more than one  
208 year, or both. Notwithstanding the provisions of section 54-193 of the  
209 general statutes, no person shall be prosecuted for a violation of the  
210 provisions of this subsection committed on or after January 1, 2023,

211 except within three years next after such violation has been committed.  
212 As used in this subsection, "person" includes any officer or employee of  
213 a corporation or a member or employee of a partnership under a duty  
214 to pay such tax, make such return, keep such records or supply such  
215 information.

216 (2) Any person who wilfully delivers or discloses to the commissioner  
217 or the commissioner's authorized agent any list, return, account,  
218 statement or other document, known by such person to be fraudulent  
219 or false in any material matter, shall, in addition to any other penalty  
220 provided by law, be guilty of a class D felony. No person shall be  
221 charged with an offense under both subdivision (1) of this subsection  
222 and this subdivision in relation to the same tax period but such person  
223 may be charged and prosecuted for both such offenses upon the same  
224 information.

225 (j) (1) Each carrier shall keep such records, receipts, invoices and other  
226 pertinent papers in such form as the commissioner requires.

227 (2) In addition to the requirements set forth under subdivision (1) of  
228 this subsection, each carrier shall maintain, on a monthly basis, a list of  
229 all the eligible motor vehicles that such carrier operates or causes to  
230 operate on a highway in the state during such month. All such lists shall  
231 be maintained by the carrier for not less than four years after the date of  
232 each such month and shall be made available to the commissioner upon  
233 request.

234 (3) The commissioner or the commissioner's authorized agent may  
235 examine the records, receipts, invoices, other pertinent papers and  
236 equipment of any person liable under the provisions of this section and  
237 may investigate the character of the business of such person to verify  
238 the accuracy of any return made or, if no return is made by such person,  
239 to ascertain and determine the amount required to be paid.

240 (k) Any carrier that is aggrieved by the action of the commissioner or  
241 an authorized agent of the commissioner in fixing the amount of any  
242 tax, penalty or interest under this section may apply to the

243 commissioner, in writing, not later than sixty days after the notice of  
244 such action is delivered or mailed to such carrier, for a hearing and a  
245 correction of the amount of such tax, penalty or interest, setting forth the  
246 reasons why such hearing should be granted and the amount by which  
247 such tax, penalty or interest should be reduced. The commissioner shall  
248 promptly consider each such application and may grant or deny the  
249 hearing requested. If the hearing request is denied, the carrier shall be  
250 notified forthwith. If the hearing request is granted, the commissioner  
251 shall notify the carrier of the date, time and place for such hearing. After  
252 such hearing, the commissioner may make such order as appears just  
253 and lawful to the commissioner and shall furnish a copy of such order  
254 to the carrier. The commissioner may, by notice in writing, order a  
255 hearing on the commissioner's own initiative and require a carrier or  
256 any other individual who the commissioner believes to be in possession  
257 of relevant information concerning such carrier to appear before the  
258 commissioner or the commissioner's authorized agent with any  
259 specified books of account, papers or other documents, for examination  
260 under oath.

261 (l) Any carrier that is aggrieved because of any order, decision,  
262 determination or disallowance the commissioner made under  
263 subsection (h) or (k) of this section may, not later than thirty days after  
264 service of notice of such order, decision, determination or disallowance,  
265 take an appeal therefrom to the superior court for the judicial district of  
266 New Britain, which appeal shall be accompanied by a citation to the  
267 commissioner to appear before said court. Such citation shall be signed  
268 by the same authority and such appeal shall be returnable at the same  
269 time and served and returned in the same manner as is required in the  
270 case of a summons in a civil action. The authority issuing the citation  
271 shall take from the appellant a bond or recognizance to the state of  
272 Connecticut, with surety, to prosecute the appeal to effect and to comply  
273 with the orders and decrees of the court in the premises. Such appeals  
274 shall be preferred cases, to be heard, unless cause appears to the  
275 contrary, at the first session, by the court or by a committee appointed  
276 by the court. Said court may grant such relief as may be equitable and,

277 if such tax has been paid prior to the granting of such relief, may order  
278 the Treasurer to pay the amount of such relief. If the appeal has been  
279 taken without probable cause, the court may tax double or triple costs,  
280 as the case demands and, upon all such appeals that are denied, costs  
281 may be taxed against such carrier at the discretion of the court but no  
282 costs shall be taxed against the state.

283 (m) The commissioner and any agent of the commissioner duly  
284 authorized to conduct any inquiry, investigation or hearing pursuant to  
285 this section shall have power to administer oaths and take testimony  
286 under oath relative to the matter of inquiry or investigation. At any  
287 hearing ordered by the commissioner, the commissioner or the  
288 commissioner's agent authorized to conduct such hearing and having  
289 authority by law to issue such process may subpoena witnesses and  
290 require the production of books, papers and documents pertinent to  
291 such inquiry or investigation. No witness under subpoena authorized  
292 to be issued under the provisions of this section shall be excused from  
293 testifying or from producing books, papers or documentary evidence on  
294 the ground that such testimony or the production of such books, papers  
295 or documentary evidence would tend to incriminate such witness, but  
296 such books, papers or documentary evidence so produced shall not be  
297 used in any criminal proceeding against such witness. If any person  
298 disobeys such process or, having appeared in obedience thereto, refuses  
299 to answer any pertinent question put to such person by the  
300 commissioner or the commissioner's authorized agent, or to produce  
301 any books, papers or other documentary evidence pursuant thereto, the  
302 commissioner or such agent may apply to the superior court of the  
303 judicial district wherein the carrier has a business address or wherein  
304 the carrier's business has been conducted, or to any judge of such court  
305 if the same is not in session, setting forth such disobedience to process  
306 or refusal to answer, and such court or such judge shall cite such person  
307 to appear before such court or such judge to answer such question or to  
308 produce such books, papers or other documentary evidence and, upon  
309 such person's refusal so to do, shall commit such person to a community  
310 correctional center until such person testifies, but not for a period longer

311 than sixty days. Notwithstanding the serving of the term of such  
312 commitment by any person, the commissioner may proceed in all  
313 respects with such inquiry and examination as if the witness had not  
314 previously been called upon to testify. Officers who serve subpoenas  
315 issued by the commissioner or under the commissioner's authority and  
316 witnesses attending hearings conducted by the commissioner pursuant  
317 to this section shall receive fees and compensation at the same rates as  
318 officers and witnesses in the courts of this state, to be paid on vouchers  
319 of the commissioner on order of the Comptroller from the proper  
320 appropriation for the administration of this section.

321 (n) The amount of any tax, penalty or interest due and unpaid under  
322 the provisions of this section may be collected under the provisions of  
323 section 12-35 of the general statutes. The warrant provided under said  
324 section shall be signed by the commissioner or the commissioner's  
325 authorized agent. The amount of any such tax, penalty and interest shall  
326 be a lien on the real estate of the carrier from the last day of the month  
327 next preceding the due date of such civil penalty until such civil penalty  
328 is paid. The commissioner may record such lien in the records of any  
329 town in which the real estate of such carrier is situated but no such lien  
330 shall be enforceable against a bona fide purchaser or qualified  
331 encumbrancer of such real estate. When any tax with respect to which a  
332 lien has been recorded under the provisions of this subsection has been  
333 satisfied, the commissioner shall, upon request of any interested party,  
334 issue a certificate discharging such lien, which certificate shall be  
335 recorded in the same office in which the lien was recorded. Any action  
336 for the foreclosure of such lien shall be brought by the Attorney General  
337 in the name of the state in the superior court for the judicial district in  
338 which the real estate subject to such lien is situated, or, if such real estate  
339 is located in two or more judicial districts, in the superior court for any  
340 one such judicial district, and the court may limit the time for  
341 redemption or order the sale of such real estate or pass such other or  
342 further decree as it judges equitable.

343 (o) No tax credit or credits shall be allowable against the tax imposed  
344 under this section.

345 (p) Any person who knowingly violates any provision of this section  
346 for which no other penalty is provided shall be fined one thousand  
347 dollars.

348 (q) The commissioner may adopt regulations, in accordance with the  
349 provisions of chapter 54 of the general statutes, to implement the  
350 provisions of this section.

351 (r) At the close of each fiscal year, commencing with the fiscal year  
352 ending June 30, 2023, in which the tax imposed under the provisions of  
353 this section is received by the commissioner, the Comptroller is  
354 authorized to record as revenue for such fiscal year the amount of such  
355 tax that is received by the commissioner not later than five business days  
356 from the July thirty-first immediately following the end of such fiscal  
357 year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to calendar months commencing on or after January 1, 2023</i>	New section